

AMENDED IN ASSEMBLY AUGUST 13, 2014

AMENDED IN ASSEMBLY AUGUST 11, 2014

AMENDED IN ASSEMBLY JUNE 12, 2014

**SENATE BILL**

**No. 866**

---

**Introduced by Senators ~~Wolk and Wolk~~, Steinberg, and Pavley**

*(Principal coauthors: Assembly Members Atkins, Gomez, and Rendon)*

*(Coauthors: Senators Beall, Berryhill, Block, Cannella, Corbett, Correa, De León, DeSaulnier, Fuller, Gaines, Galgiani, Hernandez, Hill, Hueso, Huff, Jackson, Knight, Lara, Liu, Mitchell, Monning, Nielsen, Padilla, Roth, Torres, Vidak, and Wyland)*

*(Coauthors: Assembly Members Salas, Perea, Gray, Gatto, Nazarian, Alejo, Bonilla, Brown, Cooley, Mullin, Campos, Achadjian, Allen, Bigelow, Chávez, Conway, Gorell, Hagman, Harkey, Linder, Logue, Maienschein, Olsen, Wagner, Wilk, and Nestande)*

January 9, 2014

---

An act to add ~~Section~~ *Sections 5096.968 and 75089* to the Public Resources Code, to add ~~Section 79591~~ *Sections 13467, 78691.5, 79222, and 79591* to, and to repeal and add Division 26.7 (commencing with Section 79700) of, the Water Code, and to repeal Section 2 of Chapter 3 of the Seventh Extraordinary Session of the Statutes of 2009, relating to a water quality, supply, and infrastructure improvement program, by providing the funds necessary therefor through an election for the issuance and sale of bonds of the State of California and for the handling and disposition of those funds, and declaring the urgency thereof, to take effect immediately.

## LEGISLATIVE COUNSEL'S DIGEST

SB 866, as amended, Wolk. Water Quality, Supply, and Infrastructure Improvement Act of 2014.

(1) Existing law, the Safe, Clean, and Reliable Drinking Water Supply Act of 2012, if approved by the voters, would authorize the issuance of bonds in the amount of \$11,140,000,000 pursuant to the State General Obligation Bond Law to finance a safe drinking water and water supply reliability program. Existing law provides for the submission of the bond act to the voters at the November 4, 2014, statewide general election.

This bill would repeal these provisions.

(2) Under existing law, various measures have been approved by the voters to provide funds for water supply and protection facilities and programs. Existing law, the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, an initiative measure approved by the voters as Proposition 84 at the November 7, 2006, statewide general election, authorizes the issuance of bonds in the amount of \$5,388,000,000 for the purposes of *financing* safe drinking water, water quality and supply, flood control, natural resource protection, and park improvements. *Existing law, the Disaster Preparedness and Flood Prevention Bond Act of 2006, approved by the voters as Proposition 1E at the November 7, 2006, general statewide election, authorizes the issuance of bonds in the amount of \$4,090,000,000 for the purposes of financing disaster preparedness and flood prevention projects.* Existing law, the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002, an initiative measure approved by the voters as Proposition 50 at the November 5, 2002, statewide general election, authorizes, for the purposes of financing a safe drinking water, water quality, and water reliability program, the issuance of bonds in the amount of \$3,440,000,000. *Existing law, the Costa-Machado Water Act of 2000, approved by the voters as Proposition 13 at the March 7, 2000, statewide primary election, authorizes the issuance of general obligation bonds in the amount of \$1,970,000,000 for the purposes of financing a safe drinking water, clean water, watershed protection, and flood protection program.* Existing law, the Safe, Clean, Reliable Water Supply Act, approved by the voters as Proposition 204 at the November 5, 1996, statewide general election, authorizes the issuance of general obligation bonds in the amount of \$995,000,000 for the purposes of financing a safe,

*clean, reliable water supply program. Existing law, the Water Conservation and Water Quality Bond Law of 1986, approved by the voters as Proposition 44 at the June 3, 1986, statewide primary election, authorizes the issuance of general obligation bonds in the amount of \$150,000,000 for the purposes of financing a water conservation and water quality program.*

This bill would enact the Water Quality, Supply, and Infrastructure Improvement Act of 2014, which, if approved by the voters, would authorize the issuance of bonds in the amount of ~~\$6,995,000,000~~ \$7,120,000,000 pursuant to the State General Obligation Bond Law to finance a water quality, supply, and infrastructure improvement program. This bill, upon voter approval, would reallocate ~~\$105,000,000 of specified funds authorized for the purposes of Proposition 84 and \$95,000,000 of specified funds authorized~~ \$425,000,000 of the unissued bonds authorized for the purposes of ~~Proposition 50 for Propositions 1E, 13, 44, 50, 84, and 204~~ to finance the purposes of a water quality, supply, and infrastructure improvement program.

This bill would provide for the submission of these provisions to the voters at the November 4, 2014, statewide general election.

(3) This bill would declare that it is to take effect immediately as an urgency statute.

Vote:  $\frac{2}{3}$ . Appropriation: no. Fiscal committee: yes.

State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1     SECTION 1. Section 5096.968 is added to the Public Resources
- 2     Code, to read:
- 3     5096.968. Notwithstanding any other law, one hundred million
- 4     dollars (\$100,000,000) of the unissued bonds authorized for the
- 5     purposes of this chapter are reallocated to finance the purposes
- 6     of, and shall be authorized, issued, and appropriated in accordance
- 7     with, Division 26.7 (commencing with Section 79700) of the Water
- 8     Code. The funds available for reallocation shall be made on a
- 9     pro-rata basis from each bond allocation of this chapter.
- 10    ~~SECTION 1.~~
- 11    SEC. 2. Section 75089 is added to the Public Resources Code,
- 12    to read:
- 13    75089. Notwithstanding any other law, one hundred five million
- 14    dollars (\$105,000,000) of the ~~funds~~ unissued bonds authorized for

1 the purposes of this division and set aside for the administration  
2 and bond issuance costs are reallocated for the purposes of, and  
3 shall be authorized, issued, and appropriated in accordance with,  
4 Division 26.7 (commencing with Section 79700) of the Water  
5 Code. *The funds available for reallocation shall be made on a*  
6 *pro-rata basis from each bond allocation of this division.*

7 SEC. 3. Section 13467 is added to the Water Code, to read:

8 13467. Notwithstanding any other law, thirteen million five  
9 hundred thousand dollars (\$13,500,000) of the unissued bonds  
10 authorized for the purposes of subdivision (a) of Section 13459  
11 are reallocated to finance the purposes of, and shall be authorized,  
12 issued, and appropriated in accordance with, Division 26.7  
13 (commencing with Section 79700).

14 SEC. 4. Section 78691.5 is added to the Water Code, to read:

15 78691.5. Notwithstanding any other law, nine million nine  
16 hundred thousand dollars (\$9,900,000) of the unissued bonds  
17 authorized for the purposes of Sections 78550 to 78551, inclusive,  
18 three million two hundred thousand dollars (\$3,200,000) of the  
19 unissued bonds authorized for the purposes of Section 78671, three  
20 million five hundred thousand dollars (\$3,500,000) of the unissued  
21 bonds authorized for the purposes of paragraph (3) of subdivision  
22 (a) of Section 78680, eight million one hundred thousand dollars  
23 (\$8,100,000) of the unissued bonds authorized for the purposes of  
24 Section 78681.2, and eight hundred thousand dollars (\$800,000)  
25 of the unissued bonds authorized for the purposes of Section  
26 78530.5 are reallocated to finance the purposes of, and shall be  
27 authorized, issued, and appropriated in accordance with, Division  
28 26.7 (commencing with Section 79700).

29 SEC. 5. Section 79222 is added to the Water Code, to read:

30 79222. Notwithstanding any other law, thirty-four million  
31 dollars (\$34,000,000) of the unissued bonds authorized for the  
32 purposes of Section 79157, and fifty-two million dollars  
33 (\$52,000,000) of the unissued bonds authorized for the purposes  
34 of Section 79195 are reallocated to finance the purposes of, and  
35 shall be authorized, issued, and appropriated in accordance with,  
36 Division 26.7 (commencing with Section 79700).

37 ~~SEC. 2.~~

38 SEC. 6. Section 79591 is added to the Water Code, to read:

39 79591. Notwithstanding any other law, ninety-five million  
40 dollars (\$95,000,000) of the funds unissued bonds authorized for

1 the purposes of this division and set aside for the administration  
2 and bond issuance costs are reallocated for the purposes of, and  
3 shall be authorized, issued, and appropriated in accordance with,  
4 Division 26.7 (commencing with Section 79700). *The funds*  
5 *available for reallocation shall be made on a pro-rata basis from*  
6 *each bond allocation of this division.*

7 ~~SEC. 3.~~

8 SEC. 7. Division 26.7 (commencing with Section 79700) of  
9 the Water Code, as added by Section 1 of Chapter 3 of the Seventh  
10 Extraordinary Session of the Statutes of 2009, is repealed.

11 ~~SEC. 4.~~

12 SEC. 8. Division 26.7 (commencing with Section 79700) is  
13 added to the Water Code, to read:

14  
15 DIVISION 26.7. WATER QUALITY, SUPPLY, AND  
16 INFRASTRUCTURE IMPROVEMENT ACT OF 2014

17  
18 CHAPTER 1. SHORT TITLE

19  
20 79700. This division shall be known, and may be cited, as the  
21 Water Quality, Supply, and Infrastructure Improvement Act of  
22 2014.

23  
24 CHAPTER 2. FINDINGS

25  
26 79701. The people of California find and declare all of the  
27 following:

28 (a) Safeguarding California's supply of clean and safe water  
29 for homes, businesses, and farms is an essential responsibility of  
30 government, and critical to protecting the quality of life for all  
31 Californians.

32 (b) Every Californian should have access to clean, safe, and  
33 reliable drinking water.

34 (c) California has been experiencing more frequent and severe  
35 droughts and is currently enduring the worst drought in 200 years.  
36 These droughts are magnifying the shortcomings of our current  
37 water infrastructure.

38 (d) California's water infrastructure continues to age and  
39 deteriorate. More than 50 years ago, Californians approved the  
40 construction of the State Water Project. In recent decades, however,

1 that infrastructure has proven inadequate to meet California's  
2 growing needs.

3 (e) This measure provides funding to implement the three  
4 objectives of the California Water Action Plan which are more  
5 reliable water supplies, the restoration of important species and  
6 habitat, and a more resilient and sustainably managed water  
7 infrastructure.

8 (f) Developing and guarding our water resources is critical for  
9 California to maintain vibrant communities, globally competitive  
10 agriculture, and healthy ecosystems.

11 (g) Encouraging water conservation and recycling are  
12 commonsense methods to make more efficient use of existing  
13 water supplies.

14 (h) Sustainable water management in California depends upon  
15 reducing and reversing overdraft and water quality impairment of  
16 groundwater basins. Investments to expand groundwater storage  
17 and reduce and reverse overdraft and water quality impairment of  
18 groundwater basins provide extraordinary public benefit and are  
19 in the public interest.

20 (i) Protecting lakes, rivers, and streams, cleaning up polluted  
21 groundwater supplies, and preserving water sources that supply  
22 the entire state are crucial to providing a reliable supply of water  
23 and protecting the state's natural resources.

24 (j) The Water Quality, Supply, and Infrastructure Improvement  
25 Act of 2014 provides a comprehensive and fiscally responsible  
26 approach for addressing the varied challenges facing California's  
27 water resources.

### 28 CHAPTER 3. DEFINITIONS

29  
30  
31 79702. Unless the context otherwise requires, the definitions  
32 set forth in this section govern the construction of this division, as  
33 follows:

34 (a) "Acquisition" means obtaining a fee interest or any other  
35 interest in real property, including, easements, leases, water, water  
36 rights, or interest in water obtained for the purposes of instream  
37 flows and development rights.

38 (b) "CALFED Bay-Delta Program" means the program  
39 described in the Record of Decision dated August 28, 2000.

40 (c) "Commission" means the California Water Commission.

(d) “Committee” means the Water Quality, Supply, and Infrastructure Improvement Finance Committee created by Section 79787.

(e) “Delta” means the Sacramento-San Joaquin Delta, as defined in Section 85058.

(f) “Delta conveyance facilities” means facilities that convey water directly from the Sacramento River to the State Water Project or the federal Central Valley Project pumping facilities in the south Delta.

(g) “Delta counties” means the Counties of Contra Costa, Sacramento, San Joaquin, Solano, and Yolo.

(h) “Delta plan” has the meaning set forth in Section 85059.

(i) “Director” means the Director of Water Resources.

(j) “Disadvantaged community” has the meaning set forth in subdivision (a) of Section ~~79505.5~~. *79505.5, as it may be amended.*

(k) “Economically distressed area” means a municipality with a population of 20,000 persons or less, a rural county, or a reasonably isolated and divisible segment of a larger municipality where the segment of the population is 20,000 persons or less, with an annual median household income that is less than 85 percent of the statewide median household income, and with one or more of the following conditions as determined by the department:

(1) Financial hardship.

(2) Unemployment rate at least 2 percent higher than the statewide average.

(3) Low population density.

(l) “Fund” means the Water Quality, Supply, and Infrastructure Improvement Fund of 2014 created by Section 79715.

(m) “Instream flows” means a specific streamflow, measured in cubic feet per second, at a particular location for a defined time, and typically follows seasonal variations.

(n) “Integrated regional water management plan” has the meaning set forth in Part 2.2 (commencing with Section 10530) of Division 6, as that part may be amended.

(o) “Long-term” means for a period of not less than 20 years.

(p) “Nonprofit organization” means an organization qualified to do business in California and qualified under Section 501(c)(3) of Title 26 of the United States Code.

(q) “Proposition 1E” means the Disaster Preparedness and Flood Prevention Bond Act of 2006 (Chapter 1.699 (commencing with Section 5096.800) of Division 5 of the Public Resources Code).

(r) “Proposition 84” means the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Division 43 (commencing with Section 75001) of the Public Resources Code).

(s) “Public agency” means a state agency or department, *special* district, joint powers authority, city, county, city and county, or other political subdivision of the state.

(t) “Rainwater” has the meaning set forth in subdivision (c) of Section 10573.

(u) “Secretary” means the Secretary of the Natural Resources Agency.

(v) “Severely disadvantaged community” has the meaning set forth in subdivision (a) of Section 116760.20 of the Health and Safety Code.

(w) “Small community water system” means a community water system that serves no more than 3,300 service connections or a yearlong population of no more than 10,000 persons.

(x) “State board” means the State Water Resources Control Board.

(y) “State General Obligation Bond Law” means the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code).

(z) “State small water system” has the meaning set forth in subdivision (n) of Section 116275 of the Health and Safety Code.

(aa) “Stormwater” has the meaning set forth in subdivision (e) of Section 10573.

(ab) “Water right” means a legal entitlement authorizing water to be diverted from a specified source and put to a beneficial, nonwasteful use.

#### CHAPTER 4. GENERAL PROVISIONS

79703. An amount that equals not more than 5 percent of the funds allocated for a grant program pursuant to this division may be used to pay the administrative costs of that program.



79704. Unless otherwise specified, up to 10 percent of funds allocated for each program funded by this division may be expended for planning and monitoring necessary for the successful design, selection, and implementation of the projects authorized under that program. This section shall not otherwise restrict funds ordinarily used by an agency for “preliminary plans,” “working drawings,” and “construction” as defined in the annual Budget Act for a capital outlay project or grant project. Water quality monitoring data shall be collected and reported to the state board in a manner that is compatible and consistent with surface water monitoring data systems or groundwater monitoring data systems administered by the state board. Watershed monitoring data shall be collected and reported to the Department of Conservation in a manner that is compatible and consistent with the statewide watershed program administered by the Department of Conservation.

79705. Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code does not apply to the development or implementation of programs or projects authorized or funded under this division other than Chapter 8 (commencing with Section 79750).

79706. (a) Prior to disbursing grants or loans pursuant to this division, each state agency that receives an appropriation from the funding made available by this division to administer a competitive grant or loan program under this division shall develop and adopt project solicitation and evaluation guidelines. The guidelines shall include monitoring and reporting requirements and may include a limitation on the dollar amount of grants or loans to be awarded. If the state agency has previously developed and adopted project solicitation and evaluation guidelines that comply with the requirements of this subdivision, it may use those guidelines.

(b) Prior to disbursing grants or loans, the state agency shall conduct three public meetings to consider public comments prior to finalizing the guidelines. The state agency shall publish the draft solicitation and evaluation guidelines on its Internet Web site at least 30 days before the public meetings. One meeting shall be conducted at a location in northern California, one meeting shall be conducted at a location in the central valley of California, and one meeting shall be conducted at a location in southern California. Upon adoption, the state agency shall transmit copies of the

1 guidelines to the fiscal committees and the appropriate policy  
2 committees of the Legislature.

3 79707. It is the intent of the people that:

4 (a) The investment of public funds pursuant to this division will  
5 result in public benefits that address the most critical statewide  
6 needs and priorities for public funding.

7 (b) In the appropriation and expenditure of funding authorized  
8 by this division, priority will be given to projects that leverage  
9 private, federal, or local funding or produce the greatest public  
10 benefit.

11 (c) A funded project advances the purposes of the chapter from  
12 which the project received funding.

13 (d) In making decisions regarding water resources, state and  
14 local water agencies will use the best available science to inform  
15 those decisions.

16 (e) Special consideration will be given to projects that employ  
17 new or innovative technology or practices, including decision  
18 support tools that support the integration of multiple jurisdictions,  
19 including, but not limited to, water supply, flood control, land use,  
20 and sanitation.

21 (f) Evaluation of projects considered for funding pursuant to  
22 this division will include review by professionals in the fields  
23 relevant to the proposed project.

24 (g) To the extent practicable, a project supported by funds made  
25 available by this division will include signage informing the public  
26 that the project received funds from the Water Quality, Supply,  
27 and Infrastructure Improvement Act of 2014.

28 (h) Projects funded with proceeds from this division will be  
29 consistent with Division 7 (commencing with Section 13000) of  
30 this code and Section 13100 of the Government Code.

31 (i) Projects funded with proceeds from this division will promote  
32 state planning priorities consistent with the provisions of Section  
33 65041.1 of the Government Code and sustainable communities  
34 strategies consistent with the provisions of subparagraph (B) of  
35 paragraph (2) of subdivision (b) of Section 65080 of the  
36 Government Code, to the extent feasible.

37 (j) California's working agricultural and forested landscapes  
38 will be preserved wherever possible. To the extent feasible,  
39 watershed objectives included in this division should be achieved  
40 through use of conservation easements and voluntary landowner

1 participation, including, but not limited to, the use of easements  
2 pursuant to Division 10.2 (commencing with Section 10200) and  
3 Division 10.4 (commencing with Section 10330) of the Public  
4 Resources Code and voluntary habitat credit exchange mechanisms.

5 79708. (a) The Department of Finance shall provide for an  
6 independent audit of expenditures pursuant to this division. The  
7 secretary shall publish a list of all program and project expenditures  
8 pursuant to this division not less than annually, in written form,  
9 and shall post an electronic form of the list on the Natural  
10 Resources Agency's Internet Web site.

11 (b) If an audit, required by statute, of any entity that receives  
12 funding authorized by this division is conducted pursuant to state  
13 law and reveals any ~~malfeasance~~, *impropriety*, the California State  
14 Auditor or the Controller may conduct a full audit of any or all of  
15 the activities of that entity.

16 (c) The state agency issuing any grant or loan with funding  
17 authorized by this division shall require adequate reporting of the  
18 expenditures of the funding from the grant or loan.

19 (d) Prior to soliciting projects pursuant to this division, state  
20 agencies shall submit guidelines to the secretary. The secretary  
21 shall verify that the guidelines are consistent with applicable  
22 statutes and for all the purposes enumerated in this division. The  
23 secretary shall post an electronic form of the guidelines submitted  
24 by state agencies and the subsequent verifications on the Natural  
25 Resources Agency's Internet Web site.

26 79709. (a) Funds expended pursuant to this division for the  
27 acquisition of a permanent dedication of water shall be in  
28 accordance with Section 1707 where the state board specifies that  
29 the water is in addition to water that is required for regulatory  
30 requirements as provided in subdivision (c) of Section 1707. The  
31 expenditure of funds provided by this division may include the  
32 initiation of the dedication as a short term or temporary urgency  
33 change, that is approved in accordance with Section 1707 and  
34 either Chapter 6.6 (commencing with Section 1435) of, or Chapter  
35 10.5 (commencing with Section 1725) of, Part 2 of Division 2,  
36 during the period required to prepare any environmental  
37 documentation and for approval of permanent dedication.

38 (b) Funds expended pursuant to this division for the acquisition  
39 of long-term transfers of water shall be transfers in accordance  
40 with Sections 1735, 1736, and 1737 if the state board, after

1 providing notice and opportunity for a hearing, approves such a  
2 petition. Funds expended pursuant to this division shall prioritize  
3 permanent transfers ~~and long-term transfers of water~~. Long-term  
4 transfers shall be for a period of not less than 20 years, except for  
5 any water transfers for the benefit of subsection (d) of Section  
6 3406 of the Central Valley Project Improvement Act (Title 34 of  
7 Public Law 102-575).

8 (c) Funds expended ~~as described in this section~~ pursuant to this  
9 *division for any acquisition of water shall only be done pursuant*  
10 *to this section* and shall only be used for projects that will provide  
11 fisheries or ecosystem benefits or improvements that are greater  
12 than required applicable environmental mitigation measures or  
13 compliance obligations in effect at the time the funds from this  
14 division are made available for the project and funds shall not be  
15 credited to any ~~such~~ measures or obligations, except for any water  
16 transfers for the benefit of subsection (d) of Section ~~3405 of Title~~  
17 ~~34~~ 3406 of the Central Valley Project Improvement Act (Title 34  
18 of Public Law 102-575).

19 79710. (a) Funds provided by this division shall not be  
20 expended to pay the costs of the design, construction, operation,  
21 mitigation, or maintenance of Delta conveyance facilities. Those  
22 costs shall be the responsibility of the water agencies that benefit  
23 from the design, construction, operation, mitigation, or maintenance  
24 of those facilities.

25 (b) To the extent feasible, in implementing subdivision (k) of  
26 Section 79731, the Sacramento-San Joaquin Delta Conservancy  
27 shall seek to achieve wildlife conservation objectives through  
28 projects on public lands or voluntary projects on private lands.  
29 Funds available to the Sacramento-San Joaquin Delta Conservancy  
30 pursuant to subdivision (k) of Section 79731 may be used, in  
31 consultation with the Department of Fish and Wildlife, for  
32 payments to landowners for the creation of measurable habitat  
33 improvements or other improvements to the condition of  
34 endangered or threatened species. The Sacramento-San Joaquin  
35 Delta Conservancy may develop and implement a competitive  
36 program for habitat enhancements that maximizes voluntary  
37 landowner participation in projects that provide measurable and  
38 long-lasting habitat or species improvements in the Delta. These  
39 funds shall not be used to subsidize or decrease the mitigation  
40 obligations of any party.

(c) In implementing subdivision (k) of Section 79731, the Sacramento-San Joaquin Delta Conservancy shall ~~coordinate, cooperate,~~ *coordinate* and consult with the city or county in which a grant is proposed to be expended or an interest in real property is proposed to be acquired and with the Delta Protection Commission. Acquisitions by the Sacramento-San Joaquin Delta Conservancy pursuant to subdivision (k) of Section 79731 shall be from willing sellers only.

79711. (a) This division does not diminish, impair, or otherwise affect in any manner whatsoever any area of origin, watershed of origin, county of origin, or any other water rights protections, including, but not limited to, rights to water appropriated prior to December 19, 1914, provided under the law. This division does not limit or affect the application of Article 1.7 (commencing with Section 1215) of Chapter 1 of Part 2 of Division 2, Sections 10505, 10505.5, 11128, 11460, 11461, 11462, and 11463, and Sections 12200 to 12220, inclusive.

(b) For the purposes of this division, an area that utilizes water that has been diverted and conveyed from the Sacramento River hydrologic region, for use outside the Sacramento River hydrologic region or the Delta, shall not be deemed to be immediately adjacent thereto or capable of being conveniently supplied with water therefrom by virtue or on account of the diversion and conveyance of that water through facilities that may be constructed for that purpose after January 1, 2014.

(c) Nothing in this division supersedes, limits, or otherwise modifies the applicability of Chapter 10 (commencing with Section 1700) of Part 2 of Division 2, including petitions related to any new conveyance constructed or operated in accordance with Chapter 2 (commencing with Section 85320) of Part 4 of Division 35.

(d) Unless otherwise expressly provided, nothing in this division supersedes, reduces, or otherwise affects existing legal protections, both procedural and substantive, relating to the state board's regulation of diversion and use of water, including, but not limited to, water right priorities, the protection provided to municipal interests by Sections 106 and 106.5, and changes in water rights. Nothing in this division expands or otherwise alters the state board's existing authority to regulate the diversion and use of water

1 or the courts' existing concurrent jurisdiction over California water  
2 rights.

3 (e) Nothing in this division shall be construed to affect the  
4 California Wild and Scenic Rivers Act (Chapter 1.4 (commencing  
5 with Section 5093.50) of Division 5 of the Public Resources Code)  
6 or the federal Wild and Scenic Rivers Act (16 U.S.C. Sec. 1271  
7 et seq.) and funds authorized pursuant to this division shall not be  
8 available for any project that could have an adverse effect on the  
9 values upon which a wild and scenic river or any other river is  
10 afforded protections pursuant to the California Wild and Scenic  
11 Rivers Act or the federal Wild and Scenic Rivers Act.

12 (f) Nothing in this division supersedes, limits, or otherwise  
13 modifies the Sacramento-San Joaquin Delta Reform Act of 2009  
14 (Division 35 (commencing with Section 85000)) or any other  
15 applicable law, including, but not limited to, Division 22.3  
16 (commencing with Section 32300) of the Public Resources Code.

17 (g) Funds provided by this division shall not be used to acquire  
18 land via eminent domain.

19 (h) Notwithstanding any other law, any agency acquiring land  
20 pursuant to this division may use the Natural Heritage Preservation  
21 Tax Credit Act of 2000 (Division 28 (commencing with Section  
22 37000) of the Public Resources Code).

23 79712. (a) Eligible applicants under this division are public  
24 agencies, nonprofit organizations, public utilities, federally  
25 recognized Indian tribes, state Indian tribes listed on the Native  
26 American Heritage Commission's California Tribal Consultation  
27 List, and mutual water companies.

28 (b) (1) To be eligible for funding under this division, a project  
29 proposed by a public utility that is regulated by the Public Utilities  
30 Commission or a mutual water company shall have a clear and  
31 definite public purpose and shall benefit the customers of the water  
32 system and not the investors.

33 (2) To be eligible for funding under this division, an urban water  
34 supplier shall adopt and submit an urban water management plan  
35 in accordance with the Urban Water Management Planning Act  
36 (Part 2.6 (commencing with Section 10610) of Division 6).

37 (3) To be eligible for funding under this division, an agricultural  
38 water supplier shall adopt and submit an agricultural water  
39 management plan in accordance with the Agricultural Water

1 Management Planning Act (Part 2.8 (commencing with Section  
2 10800) of Division 6).

3 (4) In accordance with Section 10608.56, an agricultural water  
4 supplier or an urban water supplier is ineligible for funding under  
5 this division unless it complies with the requirements of Part 2.55  
6 (commencing with Section 10608) of Division 6.

7 79713. The Legislature may enact legislation necessary to  
8 implement programs funded by this division, except as otherwise  
9 provided in Section 79760.

10 79714. (a) Unless otherwise specified, any state agency that  
11 has the statutory authority to implement one or more of the  
12 purposes specified in this bond may be eligible for appropriations  
13 from the funding made available by this division.

14 (b) Funding made available by this division shall not be  
15 appropriated by the Legislature to a specific project.

16 (c) Projects funded pursuant to this division may use the services  
17 of the California Conservation Corps or certified community  
18 conservation corps, as defined in Section 14507.5 of the Public  
19 Resources Code.

20 79715. The proceeds of bonds issued and sold pursuant to this  
21 division shall be deposited in the Water Quality, Supply, and  
22 Infrastructure Improvement Fund of 2014, which is hereby created  
23 in the State Treasury.

24 79716. Each state agency that receives an appropriation of  
25 funding made available by this division shall be responsible for  
26 establishing metrics of success and reporting the status of projects  
27 and all uses of the funding on the state's bond accountability  
28 Internet Web site, as provided by statute.

29  
30 CHAPTER 5. CLEAN, SAFE AND RELIABLE DRINKING WATER  
31

32 79720. The sum of five hundred *twenty* million dollars  
33 ~~(\$500,000,000)~~ (\$520,000,000) shall be available, upon  
34 appropriation by the Legislature from the fund, for expenditures,  
35 grants, and loans for projects that improve water quality or help  
36 provide clean, safe, and reliable drinking water to all Californians.

37 79721. The projects eligible for funding pursuant to this chapter  
38 shall help improve water quality for a beneficial use. The purposes  
39 of this chapter are to:

1 (a) Reduce contaminants in drinking water supplies regardless  
2 of the source of the water or the contamination.

3 (b) Assess and prioritize the risk of contamination to drinking  
4 water supplies.

5 (c) Address the critical and immediate needs of disadvantaged,  
6 rural, or small communities that suffer from contaminated drinking  
7 water supplies, including, but not limited to, projects that address  
8 a public health emergency.

9 (d) Leverage other private, federal, state, and local drinking  
10 water quality and wastewater treatment funds.

11 (e) Reduce contaminants in discharges to, and improve the  
12 quality of, waters of the state.

13 (f) Prevent further contamination of drinking water supplies.

14 (g) Provide disadvantaged communities with public drinking  
15 water infrastructure that provides clean, safe, and reliable drinking  
16 water supplies that the community can sustain over the long term.

17 (h) Ensure access to clean, safe, reliable, and affordable drinking  
18 water for California's communities.

19 (i) Meet primary and secondary safe drinking water standards  
20 or remove contaminants identified by the state or federal  
21 government for development of a primary or secondary drinking  
22 water standard.

23 79722. The contaminants that may be addressed with funding  
24 pursuant to this chapter may include, but shall not be limited to,  
25 nitrates, perchlorate, MTBE (methyl tertiary butyl ether), arsenic,  
26 selenium, hexavalent chromium, mercury, PCE  
27 (perchloroethylene), TCE (trichloroethylene), DCE  
28 (dichloroethene), DCA (dichloroethane), 1,2,3-TCP  
29 (trichloropropane), carbon tetrachloride, 1,4-dioxane,  
30 1,4-dioxacyclohexane, nitrosodimethylamine, bromide, iron,  
31 manganese, and uranium.

32 79723. Of the funds authorized by Section 79720, two hundred  
33 ~~fifty six~~ty million dollars (~~\$250,000,000~~) (\$260,000,000) shall be  
34 available for deposit in the State Water Pollution Control Revolving  
35 Fund Small Community Grant Fund created pursuant to Section  
36 13477.6 for grants for wastewater treatment projects. Priority shall  
37 be given to projects that serve disadvantaged communities and  
38 severely disadvantaged communities, and to projects that address  
39 public health hazards. Projects may include, but not be limited to,  
40 projects that identify, plan, design, and implement regional



1 mechanisms to consolidate wastewater systems or provide  
2 affordable treatment technologies.

3 79724. (a) (1) Of the funds authorized by Section 79720, two  
4 hundred-fifty *sixty* million dollars (~~\$250,000,000~~) (\$260,000,000)  
5 shall be available for grants and loans for public water system  
6 infrastructure improvements and related actions to meet safe  
7 drinking water standards, ensure affordable drinking water, or  
8 both. Priority shall be given to projects that provide treatment for  
9 contamination or access to an alternate drinking water source or  
10 sources for small community water systems or state small water  
11 systems in disadvantaged communities whose drinking water  
12 source is impaired by chemical and nitrate contaminants and other  
13 health hazards identified by the state board. Eligible recipients  
14 serve disadvantaged communities and are public water systems or  
15 public agencies. The state board may make grants for the purpose  
16 of financing feasibility studies and to meet the eligibility  
17 requirements for a construction grant. Eligible expenses may  
18 include initial operation and maintenance costs for systems serving  
19 disadvantaged communities. Priority shall be given to projects that  
20 provide shared solutions for multiple communities, at least one of  
21 which is a disadvantaged community that lacks safe, affordable  
22 drinking water and is served by a small community water system,  
23 state small water system, or a private well. Construction grants  
24 shall be limited to five million dollars (\$5,000,000) per project,  
25 except that the state board may set a limit of not more than twenty  
26 million dollars (\$20,000,000) for projects that provide regional  
27 benefits or are shared among multiple entities, at least one of which  
28 shall be a small disadvantaged community. Not more than 25  
29 percent of a grant may be awarded in advance of actual  
30 expenditures.

31 (2) For the purposes of this subdivision, “initial operation and  
32 maintenance costs” means those initial, eligible, and reimbursable  
33 costs under a construction funding agreement that are incurred up  
34 to, and including, initial startup testing of the constructed project  
35 in order to deem the project complete. Initial operation and  
36 maintenance costs are eligible to receive funding pursuant to this  
37 section for a period not to exceed two years.

38 (b) The administering entity may expend up to twenty-five  
39 million dollars (\$25,000,000) of the funds allocated in subdivision  
40 (a) for technical assistance to eligible communities.

(c) The state board shall deposit up to two million five hundred thousand dollars (\$2,500,000) of the funds available pursuant to this section into the Drinking Water Capital Reserve Fund, which is hereby created in the State Treasury. Moneys in the Drinking Water Capital Reserve Fund shall be available, upon appropriation by the Legislature, and shall be administered by the state board for the purpose of serving as matching funds for disadvantaged communities. The state board shall develop criteria to implement this subdivision.

79725. (a) For the purposes of awarding funding under this chapter, a local cost share of not less than 50 percent of the total costs of the project shall be required. The cost-sharing requirement may be waived or reduced for projects that directly benefit a disadvantaged community or an economically distressed area.

(b) At least 10 percent of the funds available pursuant to this chapter shall be allocated for projects serving severely disadvantaged communities.

(c) Up to ~~20~~ 15 percent of the funds available pursuant to this chapter may be allocated for technical assistance to disadvantaged communities. The agency administering this funding shall operate a multidisciplinary technical assistance program for small and disadvantaged communities.

(d) Funding for planning activities, including technical assistance, to benefit disadvantaged communities may exceed ~~20~~ 15 percent of the funds allocated, subject to the determination of the need for additional planning funding by the state agency administering the funding.

#### CHAPTER 6. PROTECTING RIVERS, LAKES, STREAMS, COASTAL WATERS, AND WATERSHEDS

79730. The sum of one billion four hundred ~~seventy~~ *ninety-five* million dollars—~~(\$1,470,000,000)~~ *(\$1,495,000,000)* shall be available, upon appropriation by the Legislature from the fund, in accordance with this chapter, for competitive grants for multibenefit ecosystem and watershed protection and restoration projects in accordance with statewide priorities.

79731. Of the funds authorized by Section 79730, the sum of three hundred ~~two~~ *twenty-seven* million five hundred thousand dollars—~~(\$302,500,000)~~ *(\$327,500,000)* shall be allocated for

1 multibenefit water quality, water supply, and watershed protection  
2 and restoration projects for the watersheds of the state in  
3 accordance with the following schedule:

4 (a) Baldwin Hills Conservancy, ten million dollars  
5 (\$10,000,000).

6 (b) California Tahoe Conservancy, fifteen million dollars  
7 (\$15,000,000).

8 (c) Coachella Valley Mountains Conservancy, ten million dollars  
9 (\$10,000,000).

10 (d) Ocean Protection Council, thirty million dollars  
11 (\$30,000,000).

12 (e) San Diego River Conservancy, seventeen million dollars  
13 (\$17,000,000).

14 (f) San Gabriel and Lower Los Angeles Rivers and Mountains  
15 Conservancy, ~~twenty-five~~ *thirty* million dollars ~~(\$25,000,000)~~  
16 ~~(\$30,000,000)~~.

17 (g) San Joaquin River Conservancy, ten million dollars  
18 (\$10,000,000).

19 (h) Santa Monica Mountains Conservancy, thirty million dollars  
20 (\$30,000,000).

21 (i) Sierra Nevada Conservancy, twenty-five million dollars  
22 (\$25,000,000).

23 (j) State Coastal Conservancy, ~~eighty one hundred~~ million five  
24 hundred thousand dollars ~~(\$80,500,000)~~ *(\$100,500,000)*. *Eligible*  
25 *watersheds for the funds allocated pursuant to this subdivision*  
26 *include, but are not limited to, those that are in the San Francisco*  
27 *Bay Conservancy region, the Santa Ana River watershed, the*  
28 *Tijuana River watershed, the Otay River watershed, Catalina*  
29 *Island, and the central coast region.*

30 (k) Sacramento-San Joaquin Delta Conservancy, fifty million  
31 dollars (\$50,000,000).

32 79732. (a) In protecting and restoring California rivers, lakes,  
33 streams, and watersheds, the purposes of this chapter are to:

34 (1) Protect and increase the economic benefits arising from  
35 healthy watersheds, fishery resources, and instream flow.

36 (2) Implement watershed adaptation projects in order to reduce  
37 the impacts of climate change on California's communities and  
38 ecosystems.

39 (3) Restore river parkways throughout the state, including, but  
40 not limited to, projects pursuant to the California River Parkways

1 Act of 2004 (Chapter 3.8 (commencing with Section 5750) of  
2 Division 5 of the Public Resources Code), in the Urban Streams  
3 Restoration Program established pursuant to Section 7048, and  
4 urban river greenways.

5 (4) Protect and restore aquatic, wetland, and migratory bird  
6 ecosystems, including fish and wildlife corridors and the  
7 acquisition of water rights for instream flow.

8 (5) Fulfill the obligations of the State of California in complying  
9 with the terms of multiparty settlement agreements related to water  
10 resources.

11 (6) Remove barriers to fish passage.

12 (7) Collaborate with federal agencies in the protection of fish  
13 native to California and wetlands in the central valley of California.

14 (8) Implement fuel treatment projects to reduce wildfire risks,  
15 protect watersheds tributary to water storage facilities, and promote  
16 watershed health.

17 (9) Protect and restore rural and urban watershed health to  
18 improve watershed storage capacity, forest health, protection of  
19 life and property, stormwater resource management, and  
20 greenhouse gas reduction.

21 (10) Protect and restore coastal watersheds, including, but not  
22 limited to, bays, marine estuaries, and nearshore ecosystems.

23 (11) Reduce pollution or contamination of rivers, lakes, streams,  
24 or coastal waters, prevent and remediate mercury contamination  
25 from legacy mines, and protect or restore natural system functions  
26 that contribute to water supply, water quality, or flood management.

27 (12) Assist in the recovery of endangered, threatened, or  
28 migratory species by improving watershed health, instream flows,  
29 fish passage, coastal or inland wetland restoration, or other means,  
30 such as natural community conservation plan and habitat  
31 conservation plan implementation.

32 (13) Assist in water-related agricultural sustainability projects.

33 (b) Funds provided by this chapter shall only be used for projects  
34 that will provide fisheries or ecosystem benefits or improvements  
35 that are greater than required applicable environmental mitigation  
36 measures or compliance obligations.

37 79733. Of the funds made available by Section 79730, the sum  
38 of two hundred million dollars (\$200,000,000) shall be  
39 administered by the Wildlife Conservation Board for projects that  
40 result in enhanced stream flows.

1     79734. For restoration and ecosystem protection projects under  
2 this chapter, the services of the California Conservation Corps or  
3 a local conservation corps certified by the California Conservation  
4 Corps shall be used whenever feasible.

5     79735. (a) Of the funds authorized by Section 79730, one  
6 hundred million dollars (\$100,000,000) shall be ~~be available~~ *available*,  
7 *upon appropriation by the Legislature*, for projects to protect and  
8 enhance an urban creek, as defined in subdivision (e) of Section  
9 7048, and its tributaries, pursuant to ~~Chapter 3.8 (commencing~~  
10 ~~with Section 5750) of Division 5 of~~, Division 22.8 (commencing  
11 with Section 32600) of, and Division 23 (commencing with Section  
12 33000) of, the Public Resources Code and Section 79508.

13     (b) (1) Of the funds authorized by Section 79730, twenty million  
14 dollars (\$20,000,000) shall be made available to the secretary for  
15 a competitive program to fund multibenefit watershed and urban  
16 rivers enhancement projects in urban watersheds that increase  
17 regional and local water self-sufficiency and that meet at least two  
18 of the following objectives:

- 19     (A) Promote groundwater recharge and water reuse.  
20     (B) Reduce energy consumption.  
21     (C) Use soils, plants, and natural processes to treat runoff.  
22     (D) Create or restore native habitat.  
23     (E) Increase regional and local resiliency and adaptability to  
24 climate change.

25     (2) The program under this subdivision shall be implemented  
26 by state conservancies, the Wildlife Conservation Board, the state  
27 board, or other entities whose jurisdiction includes urban  
28 watersheds, as designated by the secretary. Projects funded under  
29 the program shall be a part of a plan developed jointly by the  
30 conservancies, the Wildlife Conservation Board, the state board,  
31 or other designated entities in consultation with the secretary.

32     (c) At least 25 percent of the funds available pursuant to this  
33 section shall be allocated for projects that benefit disadvantaged  
34 communities.

35     (d) Up to 10 percent of the funds available pursuant to this  
36 section may be allocated for project planning.

37     79736. Of the funds authorized by Section 79730, four hundred  
38 seventy-five million dollars (\$475,000,000) shall be available to  
39 the Natural Resources Agency to support projects that fulfill the

obligations of the State of California in complying with the terms of *any* of the following:

~~(a) The February 18, 2010, Klamath Hydroelectric Settlement Agreement or the Klamath Basin Restoration Agreement.~~

~~(b) Chapters 611, 612, and 613 of the Statutes of 2003, which were enacted to facilitate the execution and implementation of the Quantification Settlement Agreement, including restoration of the Salton Sea.~~

~~(c) The San Joaquin River Restoration Settlement Act (Part 1 of Subtitle A of Title 10 of Public Law 111-11).~~

~~(d) Tahoe Regional Planning Compact (Title 7.4 (commencing with Section 66800) of the Government Code).~~

~~(e) Subsection (d) of Section 3406 of the Central Valley Project Improvement Act (Title 34 of Public Law 102-575), including the construction, retrofitting, and maintenance of water supply infrastructure and the acquisition and conveyance of water supply from willing sellers, with a preference for water transfers of 20 years or longer, purchases of water rights, or other agreements that result in long-term enhancement of habitat conditions.~~

*(a) Subsection (d) of Section 3406 of the Central Valley Project Improvement Act (Title 34 of Public Law 102-575).*

*(b) Interstate compacts set forth in Section 66801 of the Government Code pursuant to Title 7.42 (commencing with Section 66905) of the Government Code.*

*(c) Intrastate or multiparty water quantification settlement agreement provisions, including ecosystem restoration projects, as set forth in Chapters 611, 612, 613, and 614 of the Statutes of 2003.*

*(d) The settlement agreement referenced in Section 2080.2 of the Fish and Game Code.*

*(e) Any intrastate or multiparty settlement agreement related to water acted upon or before December 31, 2013. Priority shall be given to projects that meet one or more of the following criteria:*

*(1) The project is of statewide significance.*

*(2) The project restores natural aquatic or riparian functions, or wetlands habitat for birds and aquatic species.*

*(3) The project protects or promotes the restoration of endangered or threatened species.*

*(4) The project enhances the reliability of water supplies on a regional or interregional basis.*

1 (5) *The project provides significant regional or statewide*  
2 *economic benefits.*

3 79737. (a) Of the funds authorized by Section 79730, two  
4 hundred eighty-five million dollars (\$285,000,000) shall be  
5 available to the Department of Fish and Wildlife for watershed  
6 restoration projects statewide in accordance with this chapter.

7 (b) For the purposes of this section, watershed restoration  
8 includes activities to fund coastal wetland habitat, improve forest  
9 health, restore mountain meadows, modernize stream crossings,  
10 culverts, and bridges, reconnect historical flood plains, install or  
11 improve fish screens, provide fish passages, restore river channels,  
12 restore or enhance riparian, aquatic, and terrestrial habitat, improve  
13 ecological functions, acquire from willing sellers conservation  
14 easements for riparian buffer strips, *improve local watershed*  
15 *management*, and remove sediment or trash.

16 (c) For any funds available pursuant to this section that are used  
17 to provide grants under the Fisheries Restoration Grant Program,  
18 a priority shall be given to coastal waters.

19 (d) In allocating funds for projects pursuant to this section, the  
20 Department of Fish and Wildlife shall only make funds available  
21 for water quality, river, and watershed protection and restoration  
22 projects of statewide importance outside of the Delta.

23 (e) Funds provided by this section shall not be expended to pay  
24 the costs of the design, construction, operation, mitigation, or  
25 maintenance of Delta conveyance facilities.

26 (f) Funds provided by this section shall only be used for projects  
27 that will provide fisheries or ecosystem benefits or improvements  
28 that are greater than required applicable environmental mitigation  
29 measures or compliance obligations, except for any water transfers  
30 for the benefit of subsection (d) of Section 3406 of the Central  
31 Valley Project Improvement Act (Title 34 of Public Law 102-575).

32 79738. (a) Of the funds authorized by Section 79730,  
33 eighty-seven million five hundred thousand dollars (\$87,500,000)  
34 shall be available to the Department of Fish and Wildlife for water  
35 quality, ecosystem restoration, and fish protection facilities that  
36 benefit the Delta, including, but not limited to, the following:

37 (1) Projects to improve water quality or that contribute to the  
38 improvement of water quality in the Delta, including projects in  
39 Delta counties that provide multiple public benefits and improve  
40 drinking and agricultural water quality or water supplies.

(2) Habitat restoration, conservation, and enhancement projects to improve the condition of special status, at risk, endangered, or threatened species in the Delta and the Delta counties, including projects to eradicate invasive species, and projects that support the beneficial reuse of dredged material for habitat restoration and levee improvements.

(3) Scientific studies and assessments that support the Delta Science Program, as described in Section 85280, or projects under this section.

(b) ~~(4)~~ In implementing this section, the department shall coordinate and consult with the Delta city or Delta county in which a grant is proposed to be expended or an interest in real property is proposed to be acquired.

~~(2) To the extent feasible, the department shall use local partners.~~

(c) Acquisitions pursuant to this section shall be from willing sellers only.

(d) In implementing this section state agencies shall prioritize wildlife conservation objectives through projects on public lands or voluntary projects on private lands, to the extent feasible.

(e) Funds available pursuant to this section shall not be used to acquire land via eminent domain.

(f) Funds available pursuant to this section shall not be expended to pay the costs of the design, construction, operation, mitigation, or maintenance of Delta conveyance facilities.

#### CHAPTER 7. REGIONAL WATER SECURITY, CLIMATE, AND DROUGHT PREPAREDNESS

79740. The sum of ~~seven~~ *eight* hundred ~~eighty~~ *ten* million dollars ~~(\$780,000,000)~~ *(\$810,000,000)* shall be available, upon appropriation by the Legislature from the fund, for expenditures on, and competitive grants and loans to, projects that are included in and implemented in an adopted integrated regional water management plan consistent with Part 2.2 (commencing with Section 10530) of Division 6 and respond to climate change and contribute to regional water security as provided in this chapter.

79741. In order to improve regional water self-reliance security and adapt to the effects on water supply arising out of climate change, the purposes of this chapter are to:



1 (a) Help water infrastructure systems adapt to climate change,  
2 including, but not limited to, sea level rise.

3 (b) Provide incentives for water agencies throughout each  
4 watershed to collaborate in managing the region's water resources  
5 and setting regional priorities for water infrastructure.

6 (c) Improve regional water self-reliance consistent with Section  
7 85021.

8 79742. (a) In selecting among proposed projects in a  
9 watershed, the scope of the adopted integrated regional water  
10 management plan may be considered by the administering state  
11 agency, with priority going to projects in plans that cover a greater  
12 portion of the watershed. If a plan covers substantially all of the  
13 watershed, the plan's project priorities shall be given deference if  
14 the project and plan otherwise meet the requirements of this  
15 division and the Integrated Regional Water Management Planning  
16 Act (Part 2.2 (commencing with Section 10530) of Division 6).

17 (b) A local agency that does not prepare, adopt, and submit its  
18 groundwater plan in accordance with groundwater planning  
19 requirements established under Division 6 (commencing with  
20 Section 10000) is ineligible to apply for funds made available  
21 pursuant to this chapter until the plan is prepared and submitted  
22 in accordance with the requirements of that part. The groundwater  
23 management plan requirement shall not apply to a water  
24 replenishment district formed pursuant to Division 18 (commencing  
25 with Section 60000) or to a local agency that serves or has authority  
26 to manage an adjudicated groundwater basin.

27 (c) For the purposes of awarding funding under this chapter, a  
28 cost share from nonstate sources of not less than 50 percent of the  
29 total costs of the project shall be required. The cost-sharing  
30 requirement may be waived or reduced for projects that directly  
31 benefit a disadvantaged community or an economically distressed  
32 area.

33 (d) Not less than 10 percent of the funds authorized by this  
34 chapter shall be allocated to projects that directly benefit  
35 disadvantaged communities.

36 (e) For the purposes of awarding funding under this chapter,  
37 the applicant shall demonstrate that the integrated regional water  
38 management plan the applicant's project implements contributes  
39 to addressing the risks in the region to water supply and water  
40 infrastructure arising from climate change.

(f) Projects that achieve multiple benefits shall receive special consideration.

79743. Subject to the determination of regional priorities in the regional water management group, eligible projects may include, but are not limited to, projects that promote any of the following:

(a) Water reuse and recycling for nonpotable reuse and direct and indirect potable reuse.

(b) Water-use efficiency and water conservation.

(c) Local and regional surface and underground water storage, including groundwater aquifer cleanup or recharge projects.

(d) Regional water conveyance facilities that improve integration of separate water systems.

(e) Watershed protection, restoration, and management projects, including projects that reduce the risk of wildfire or improve water supply reliability.

(f) Stormwater resource management, including, but not limited to, the following:

(1) Projects to reduce, manage, treat, or capture rainwater or stormwater.

(2) Projects that provide multiple benefits such as water quality, water supply, flood control, or open space.

(3) Decision support tools that evaluate the benefits and costs of multibenefit stormwater projects.

(4) Projects to implement a stormwater resource plan developed in accordance with Part 2.3 (commencing with Section 10560) of Division 6.

(g) Conjunctive use of surface and groundwater storage facilities.

(h) Water desalination projects.

(i) Decision support tools to model regional water management strategies to account for climate change and other changes in regional demand and supply projections.

(j) Improvement of water quality, including drinking water treatment and distribution, groundwater and aquifer remediation, matching water quality to water use, wastewater treatment, water pollution prevention, and management of urban and agricultural runoff.

79744. (a) Of the funds authorized by Section 79740, ~~four~~ *fivehundred—eighty ten* million dollars—~~(\$480,000,000)~~

(*\$510,000,000*) shall be allocated to the hydrologic regions as identified in the California Water Plan in accordance with this section. For the South Coast hydrologic region, the department shall establish three funding areas that reflect the watersheds of San Diego County *and southern Orange County* (designated as the San Diego subregion), the Santa Ana River watershed ~~and southern Orange County~~ (designated as the Santa Ana subregion), and the Los Angeles and Ventura County watersheds (designated as the Los Angeles subregion), and shall allocate funds to those areas in accordance with this subdivision. The North and South Lahontan hydrologic regions shall be treated as one area for the purpose of allocating funds. For purposes of this subdivision, the Sacramento River hydrologic region does not include the Delta. For purposes of this subdivision, the Mountain Counties Overlay is not eligible for funds from the Sacramento River hydrologic region or the San Joaquin River hydrologic region. Multiple integrated regional water management plans may be recognized in each of the areas allocated funding.

(b) Funds made available by this chapter shall be allocated as follows:

(1) ~~Twenty-one~~ *Twenty-six* million five hundred thousand dollars (~~\$21,500,000~~) (*\$26,500,000*) for the North Coast hydrologic region.

(2) Sixty-five million dollars (\$65,000,000) for the San Francisco Bay hydrologic region.

(3) ~~Twenty-eight~~ *Forty-three* million dollars (~~\$28,000,000~~) (*\$43,000,000*) for the Central Coast hydrologic region.

(4) Ninety-eight million dollars (\$98,000,000) for the Los Angeles subregion.

(5) Sixty-three million dollars (\$63,000,000) for the Santa Ana subregion.

(6) ~~Forty-two~~ *Fifty-two* million five hundred thousand dollars (~~\$42,500,000~~) (*\$52,500,000*) for the San Diego subregion.

(7) Thirty-seven million dollars (\$37,000,000) for the Sacramento River hydrologic region.

(8) Thirty-one million dollars (\$31,000,000) for the San Joaquin River hydrologic region.

(9) Thirty-four million dollars (\$34,000,000) for the Tulare/Kern hydrologic region.

(10) Twenty-four million five hundred thousand dollars (\$24,500,000) for the North/South Lahontan hydrologic region.

1 (11) Twenty-two million five hundred thousand dollars  
2 (\$22,500,000) for the Colorado River Basin hydrologic region.

3 (12) Thirteen million dollars (\$13,000,000) for the Mountain  
4 Counties Overlay.

5 79745. The Department of Water Resources shall expend,  
6 either directly or for noncompetitive grants, no less than 10 percent  
7 of the funds from the regional allocations specified in Section  
8 79744 for the purposes of ensuring involvement of disadvantaged  
9 communities, economically distressed areas, or underrepresented  
10 communities within regions.

11 79746. (a) Of the funds authorized by Section 79740, the sum  
12 of one hundred million dollars (\$100,000,000) may be used for  
13 direct expenditures, and for grants and loans, for the following  
14 water conservation and water-use efficiency plans, projects, and  
15 programs:

16 (1) Urban water conservation plans, projects, and programs,  
17 including regional projects and programs, implemented to achieve  
18 urban water use targets developed pursuant to Section 10608.20.  
19 Priority for funding shall be given to programs that do any of the  
20 following:

21 (A) Assist water suppliers and regions to implement  
22 conservation programs and measures that are not locally cost  
23 effective.

24 (B) Support water supplier and regional efforts to implement  
25 programs targeted to enhance water-use efficiency for commercial,  
26 industrial, and institutional water users.

27 (C) Assist water suppliers and regions with programs and  
28 measures targeted toward realizing the conservation benefits of  
29 implementation of the provisions of the state landscape model  
30 ordinance.

31 (2) Agricultural water management plans or agricultural water  
32 use efficiency projects and programs developed pursuant to Part  
33 2.8 (commencing with Section 10800) of Division 6.

34 (b) Section 1011 applies to all conservation measures that an  
35 agricultural water supplier or an urban water supplier implements  
36 with funding under this chapter. This subdivision does not limit  
37 the application of Section 1011 to any other measures or projects  
38 implemented by a water supplier. Notwithstanding Section 79748,  
39 the projects funded pursuant to this section are not required to be

1 in an adopted integrated regional water management plan or to  
2 comply with that program.

3 79747. (a) Of the funds authorized by Section 79740, two  
4 hundred million dollars (\$200,000,000) shall be available for grants  
5 for multibenefit stormwater management projects.

6 (b) Eligible projects may include, but shall not be limited to,  
7 green infrastructure, rainwater and stormwater capture projects,  
8 and stormwater treatment facilities.

9 (c) Development of plans for stormwater projects shall address  
10 the entire watershed and incorporate the perspectives of  
11 communities adjacent to the affected waterways, especially  
12 disadvantaged communities.

13 79748. In order to receive funding authorized by this chapter  
14 to address groundwater quality or supply in an aquifer, the  
15 applicant shall demonstrate that a public agency has authority to  
16 manage the water resources in that aquifer. A groundwater  
17 management plan adopted and submitted in accordance with  
18 groundwater management planning requirements established under  
19 Division 6 (commencing with Section 10000) shall be deemed  
20 sufficient to satisfy the requirements of this section.

21  
22 CHAPTER 8. STATEWIDE WATER SYSTEM OPERATIONAL  
23 IMPROVEMENT AND DROUGHT PREPAREDNESS  
24

25 79750. (a) Notwithstanding Section 162, the commission may  
26 make the determinations, findings, and recommendations required  
27 of it by this chapter independent of the views of the director. All  
28 final actions by the commission in implementing this chapter shall  
29 be taken by a majority of the members of the commission at a  
30 public meeting noticed and held pursuant to the ~~Bailey-Keene~~  
31 *Bagley-Keene* Open Meeting Act (Article 9 (commencing with  
32 Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of  
33 the Government Code).

34 (b) Notwithstanding Section 13340 of the Government Code,  
35 the sum of two billion ~~five~~ *seven* hundred million dollars  
36 ~~(\$2,500,000,000)~~ *(\$2,700,000,000)* is hereby continuously  
37 appropriated from the fund, without regard to fiscal years, to the  
38 commission for public benefits associated with water storage  
39 projects that improve the operation of the state water system, are  
40 cost effective, and provide a net improvement in ecosystem and

1 water quality conditions, in accordance with this chapter. Funds  
2 authorized for, or made available to, the commission pursuant to  
3 this chapter shall be available and expended only for the purposes  
4 provided in this chapter, and shall not be subject to appropriation  
5 or transfer by the Legislature or the Governor for any other  
6 purpose.

7 (c) Projects shall be selected by the commission through a  
8 competitive public process that ranks potential projects based on  
9 the expected return for public investment as measured by the  
10 magnitude of the public benefits provided, pursuant to criteria  
11 established under this chapter.

12 (d) Any project constructed with funds provided by this chapter  
13 shall be subject to Section 11590.

14 79751. Projects for which the public benefits are eligible for  
15 funding under this chapter consist of only the following:

16 (a) Surface storage projects identified in the CALFED Bay-Delta  
17 Program Record of Decision, dated August 28, 2000, except for  
18 projects prohibited by Chapter 1.4 (commencing with Section  
19 5093.50) of Division 5 of the Public Resources Code.

20 (b) Groundwater storage projects and groundwater  
21 contamination prevention or remediation projects that provide  
22 water storage benefits.

23 (c) Conjunctive use and reservoir reoperation projects.

24 (d) Local and regional surface storage projects that improve the  
25 operation of water systems in the state and provide public benefits.

26 79752. A project shall not be funded pursuant to this chapter  
27 unless it provides measurable improvements to the Delta ecosystem  
28 or to the tributaries to the Delta.

29 79753. (a) Funds allocated pursuant to this chapter may be  
30 expended solely for the following public benefits associated with  
31 water storage projects:

32 (1) Ecosystem improvements, including changing the timing of  
33 water diversions, improvement in flow conditions, temperature,  
34 or other benefits that contribute to restoration of aquatic ecosystems  
35 and native fish and wildlife, including those ecosystems and fish  
36 and wildlife in the Delta.

37 (2) Water quality improvements in the Delta, or in other river  
38 systems, that provide significant public trust resources, or that  
39 clean up and restore groundwater resources.

1 (3) Flood control benefits, including, but not limited to, increases  
2 in flood reservation space in existing reservoirs by exchange for  
3 existing or increased water storage capacity in response to the  
4 effects of changing hydrology and decreasing snow pack on  
5 California's water and flood management system.

6 (4) Emergency response, including, but not limited to, securing  
7 emergency water supplies and flows for dilution and salinity  
8 repulsion following a natural disaster or act of terrorism.

9 (5) Recreational purposes, including, but not limited to, those  
10 recreational pursuits generally associated with the outdoors.

11 (b) Funds shall not be expended pursuant to this chapter for the  
12 costs of environmental mitigation measures or compliance  
13 obligations except for those associated with providing the public  
14 benefits as described in this section.

15 79754. In consultation with the Department of Fish and  
16 Wildlife, the state board, and the Department of Water Resources,  
17 the commission shall develop and adopt, by regulation, methods  
18 for quantification and management of public benefits described in  
19 Section 79753 by December 15, 2016. The regulations shall include  
20 the priorities and relative environmental value of ecosystem  
21 benefits as provided by the Department of Fish and Wildlife and  
22 the priorities and relative environmental value of water quality  
23 benefits as provided by the state board.

24 79755. (a) Except as provided in subdivision (c), no funds  
25 allocated pursuant to this chapter may be allocated for a project  
26 before December 15, 2016, and until the commission approves the  
27 project based on the commission's determination that all of the  
28 following have occurred:

29 (1) The commission has adopted the regulations specified in  
30 Section 79754 and specifically quantified and made public the cost  
31 of the public benefits associated with the project.

32 (2) The project applicant has entered into a contract with each  
33 party that will derive benefits, other than public benefits, as defined  
34 in Section 79753, from the project that ensures the party will pay  
35 its share of the total costs of the project. The benefits available to  
36 a party shall be consistent with that party's share of total project  
37 costs.

38 (3) The project applicant has entered into a contract with each  
39 public agency identified in Section 79754 that administers the  
40 public benefits, after that agency makes a finding that the public

benefits of the project for which that agency is responsible meet all the requirements of this chapter, to ensure that the public contribution of funds pursuant to this chapter achieves the public benefits identified for the project.

(4) The commission has held a public hearing for the purposes of providing an opportunity for the public to review and comment on the information required to be prepared pursuant to this subdivision.

(5) All of the following additional conditions are met:

(A) Feasibility studies have been completed.

(B) The commission has found and determined that the project is feasible, is consistent with all applicable laws and regulations, and will advance the long-term objectives of restoring ecological health and improving water management for beneficial uses of the Delta.

(C) All environmental documentation associated with the project has been completed, and all other federal, state, and local approvals, certifications, and agreements required to be completed have been obtained.

(b) The commission shall submit to the Legislature its findings for each of the criteria identified in subdivision (a) for a project funded pursuant to this chapter.

(c) Notwithstanding subdivision (a), funds may be made available under this chapter for the completion of environmental documentation and permitting of a project.

79756. (a) The public benefit cost share of a project funded pursuant to this chapter, other than a project described in subdivision (c) of Section 79751, shall not exceed 50 percent of the total costs of any project funded under this chapter.

(b) No project may be funded unless it provides ecosystem improvements as described in paragraph (1) of subdivision (a) of Section 79753 that are at least 50 percent of total public benefits of the project funded under this chapter.

79757. (a) A project is not eligible for funding under this chapter unless, by January 1, 2022, all of the following conditions are met:

(1) All feasibility studies are complete and draft environmental documentation is available for public review.

(2) The commission makes a finding that the project is feasible, and will advance the long-term objectives of restoring ecological



1 health and improving water management for beneficial uses of the  
2 Delta.

3 (3) The director receives commitments for not less than 75  
4 percent of the nonpublic benefit cost share of the project.

5 (b) If compliance with subdivision (a) is delayed by litigation  
6 or failure to promulgate regulations, the date in subdivision (a)  
7 shall be extended by the commission for a time period that is equal  
8 to the time period of the delay, and funding under this chapter that  
9 has been dedicated to the project shall be encumbered until the  
10 time at which the litigation is completed or the regulations have  
11 been promulgated.

12 79758. Surface storage projects funded pursuant to this chapter  
13 and described in subdivision (a) of Section 79751 may be made a  
14 unit of the Central Valley Project as provided in Section 11290  
15 and may be financed, acquired, constructed, operated, and  
16 maintained pursuant to Part 3 (commencing with Section 11100)  
17 of Division 6.

18 79759. (a) The funds allocated for the design, acquisition, and  
19 construction of surface storage projects identified in the CALFED  
20 Bay-Delta Record of Decision, dated August 28, 2000, pursuant  
21 to this chapter may be provided for those purposes to local joint  
22 powers authorities formed by irrigation districts and other local  
23 water districts and local governments within the applicable  
24 hydrologic region to design, acquire, and construct those projects.

25 (b) The joint powers authorities described in subdivision (a)  
26 may include in their membership governmental partners that are  
27 not located within their respective hydrologic regions in financing  
28 the surface storage projects, including, as appropriate, cost share  
29 participation or equity participation. Notwithstanding Section 6525  
30 of the Government Code, the joint powers agencies described in  
31 subdivision (a) shall not include in their membership any for-profit  
32 corporation or any mutual water company whose shareholders and  
33 members include a for-profit corporation or any other private  
34 entity. The department shall be an ex officio member of each joint  
35 powers authority subject to this section, but the department shall  
36 not control the governance, management, or operation of the  
37 surface water storage projects.

38 (c) A joint powers authority subject to this section shall own,  
39 govern, manage, and operate a surface water storage project,  
40 subject to the requirement that the ownership, governance,

1 management, and operation of the surface water storage project  
2 shall advance the purposes set forth in this chapter.

3 79760. (a) In approving the Water Quality, Supply, and  
4 Infrastructure Improvement Act of 2014, the people were informed  
5 and hereby declare that the provisions of this chapter are necessary,  
6 integral, and essential to meeting the single object or work of the  
7 Water Quality, Supply, and Infrastructure Improvement Act of  
8 2014. As such, any amendment of the provisions of this chapter  
9 by the Legislature without voter approval would frustrate the  
10 scheme and design that induced voter approval of this act. The  
11 people therefore find and declare that any amendment of the  
12 provisions of this chapter by the Legislature shall require an  
13 affirmative vote of two-thirds of the membership in each house of  
14 the Legislature and voter approval.

15 (b) This section shall not govern or be used as authority for  
16 determining whether the amendment of any other provision of this  
17 act not contained in this chapter would constitute a substantial  
18 change in the scheme and design of this act requiring voter  
19 approval.

20  
21 CHAPTER 9. WATER RECYCLING  
22

23 79765. The sum of seven hundred *twenty-five* million dollars  
24 ~~(\$700,000,000)~~ (\$725,000,000) shall be available, upon  
25 appropriation by the Legislature from the fund, for grants or loans  
26 for water recycling and advanced treatment technology projects,  
27 including all of the following:

28 (a) Water recycling projects, including, but not limited to,  
29 treatment, storage, conveyance, and distribution facilities for  
30 potable and nonpotable recycling projects.

31 (b) Contaminant and salt removal projects, including, but not  
32 limited to, groundwater and seawater desalination and associated  
33 treatment, storage, conveyance, and distribution facilities.

34 (c) Dedicated distribution infrastructure to serve residential,  
35 commercial, agricultural, and industrial end-user retrofit projects  
36 to allow use of recycled water.

37 (d) Pilot projects for new potable reuse and other salt and  
38 contaminant removal technology.

39 ~~(e) Groundwater recharge infrastructure pursuant to this chapter~~  
40 ~~and Chapter 10 (commencing with Section 79770).~~

1 (e) *Multibenefit recycled water projects that improve water*  
2 *quality.*

3 (f) Technical assistance and grant writing assistance for  
4 disadvantaged communities.

5 ~~(g) Water supply reliability improvement for critical urban water~~  
6 ~~supplies in designated superfund areas with groundwater~~  
7 ~~contamination listed on the National Priorities List established~~  
8 ~~pursuant to Section 105 of the Comprehensive Environmental~~  
9 ~~Response, Compensation, and Liability Act of 1980 (42 U.S.C.~~  
10 ~~Sec. 9605(a)(8)(B)).~~

11 79766. At least a 50-percent local cost share shall be required  
12 for projects funded pursuant to this chapter. That cost share may  
13 be suspended or reduced for disadvantaged communities and  
14 economically distressed areas.

15 79767. Projects funded pursuant to this chapter shall be selected  
16 on a competitive basis, considering all of the following criteria:

17 (a) Water supply reliability improvement.

18 (b) Water quality and ecosystem benefits related to decreased  
19 reliance on diversions from the Delta or instream flows.

20 (c) Public health benefits from improved drinking water quality  
21 or supply.

22 (d) Cost-effectiveness.

23 (e) Energy efficiency and greenhouse gas emission impacts.

24 (f) Reasonable geographic allocation to eligible projects  
25 throughout the state, including both northern and southern  
26 California and coastal and inland regions.

27 79768. For purposes of this chapter, competitive programs  
28 shall be implemented consistent with water recycling programs  
29 administered pursuant to Sections 79140 and 79141 or consistent  
30 with desalination programs administered pursuant to Sections  
31 79545 and 79547.2.

32  
33 CHAPTER 10. GROUNDWATER SUSTAINABILITY  
34

35 79770. Prevention and cleanup of groundwater contamination  
36 are critical components of successful groundwater management.  
37 Groundwater quality becomes especially important as water  
38 providers do the following:

39 (a) Evaluate investments in groundwater recharge with surface  
40 water, stormwater, recycled water, and other conjunctive use

1 projects that augment local groundwater supplies to improve  
2 regional water self-reliance.

3 (b) Adapt to changing hydrologic conditions brought on by  
4 climate change.

5 (c) Consider developing groundwater basins to provide much  
6 needed local storage options to accommodate hydrologic and  
7 regulatory variability in the state's water delivery system.

8 (d) Evaluate investments in groundwater recovery projects.

9 79771. (a) The sum of ~~eight hundred fifty nine hundred~~ million  
10 dollars ~~(\$850,000,000)~~ (\$900,000,000) shall be available, upon  
11 appropriation by the Legislature from the fund, for expenditures  
12 on, and competitive grants, and loans for, projects to prevent or  
13 clean up the contamination of groundwater that serves or has served  
14 as a source of drinking water. Funds appropriated pursuant to this  
15 section shall be available to the state board for projects necessary  
16 to protect public health by preventing or reducing the  
17 contamination of groundwater that serves or has served as a major  
18 source of drinking water for a community.

19 (b) Projects shall be prioritized based upon the following criteria:

20 (1) The threat posed by groundwater contamination to the  
21 affected community's overall drinking water supplies, including  
22 an urgent need for treatment of alternative supplies or increased  
23 water imports if groundwater is not available due to contamination.

24 (2) The potential for groundwater contamination to spread and  
25 impair drinking water supply and water storage for nearby  
26 population areas.

27 (3) The potential of the project, if fully implemented, to enhance  
28 local water supply reliability.

29 (4) The potential of the project to maximize opportunities to  
30 recharge vulnerable, high-use groundwater basins and optimize  
31 groundwater supplies.

32 (5) The project addresses contamination at a site for which the  
33 courts or the appropriate regulatory authority has not yet identified  
34 responsible parties, or where the identified responsible parties are  
35 unwilling or unable to pay for the total cost of ~~cleanup~~. *cleanup,*  
36 *including water supply reliability improvement for critical urban*  
37 *water supplies in designated superfund areas with groundwater*  
38 *contamination listed on the National Priorities List established*  
39 *pursuant to Section 105(a)(8)(B) of the federal Comprehensive*

1 *Environmental Response, Compensation, and Liability Act of 1980*  
2 *(42 U.S.C. Sec. 9605(a)(8)(B)).*

3 ~~(e) The Legislature, by statute, shall establish both of the~~  
4 ~~following:~~

5 ~~(1) A requirement that the grantee repay grant funds in the event~~  
6 ~~of cost recovery from the parties responsible for the groundwater~~  
7 ~~contamination.~~

8 ~~(2) A requirement that the grantee make reasonable efforts to~~  
9 ~~attempt to recover the costs of cleanup from the parties responsible~~  
10 ~~for the contamination, except that a grantee shall not be required~~  
11 ~~to seek cost recovery related to the costs of response actions~~  
12 ~~apportioned to responsible parties who are insolvent or cannot be~~  
13 ~~identified or located or when a requirement to seek cost recovery~~  
14 ~~would impose a financial hardship on the grantee.~~

15 *(c) Funding authorized by this chapter shall not be used to pay*  
16 *any share of the costs of remediation recovered from parties*  
17 *responsible for the contamination of a groundwater storage*  
18 *aquifer, but may be used to pay costs that cannot be recovered*  
19 *from responsible parties. Parties that receive funding for*  
20 *remediating groundwater storage aquifers shall exercise*  
21 *reasonable efforts to recover the costs of groundwater cleanup*  
22 *from the parties responsible for the contamination. Funds*  
23 *recovered from responsible parties may only be used to fund*  
24 *treatment and remediation activities.*

25 79772. Of the funds authorized by Section 79771, ~~seventy-five~~  
26 ~~eighty million dollars (\$75,000,000)~~ *(\$80,000,000)* shall be  
27 available for grants for treatment and remediation activities that  
28 prevent or reduce the contamination of groundwater that serves as  
29 a source of drinking water. ~~Nothing in this section precludes the~~  
30 ~~funding of projects pursuant to Section 79771.~~

31 79773. The contaminants that may be addressed with funding  
32 pursuant to this chapter may include, but shall not be limited to,  
33 nitrates, perchlorate, MTBE (methyl tertiary butyl ether), arsenic,  
34 selenium, hexavalent chromium, mercury, PCE  
35 (perchloroethylene), TCE (trichloroethylene), DCE  
36 (dichloroethene), DCA (dichloroethane), 1,2,3-TCP  
37 (trichloropropane), carbon tetrachloride, 1,4-dioxane,  
38 1,4-dioxacyclohexane, nitrosodimethylamine, bromide, iron,  
39 manganese, and uranium.

1 79774. (a) A project that receives funding pursuant to this  
2 chapter shall be selected by a competitive grant or loan process  
3 with added consideration for those projects that leverage private,  
4 federal, or local funding.

5 (b) For the purposes of awarding funding under this chapter, a  
6 local cost share of not less than 50 percent of the total costs of the  
7 project shall be required. The cost-sharing requirement may be  
8 waived or reduced for projects that directly benefit a disadvantaged  
9 community or an economically distressed area.

10 (c) An agency administering grants or loans for the purposes of  
11 this chapter shall assess the capacity of a community to pay for  
12 the operation and maintenance of the facility to be funded.

13 (d) At least 10 percent of the funds available pursuant to this  
14 chapter shall be allocated for projects serving severely  
15 disadvantaged communities.

16 (e) Funding authorized by this chapter shall include funding for  
17 technical assistance to disadvantaged communities. The agency  
18 administering this funding shall operate a multidisciplinary  
19 technical assistance program for small and disadvantaged  
20 communities.

21 79775. Of the funds authorized by Section 79771, one hundred  
22 million dollars (\$100,000,000) shall be made available for  
23 competitive grants for projects that develop and implement  
24 groundwater plans and projects in accordance with groundwater  
25 planning requirements established under Division 6 (commencing  
26 with Section 10000).

27  
28 CHAPTER 11. FLOOD MANAGEMENT  
29

30 79780. The sum of three hundred ninety-five million dollars  
31 (\$395,000,000) shall be available, upon appropriation by the  
32 Legislature from the fund, to the Department of Water Resources  
33 and the Central Valley Flood Protection Board for the purpose of  
34 statewide flood management projects and activities. ~~Priority shall~~  
35 ~~be given~~ *Funds shall be allocated* to multibenefit projects that  
36 achieve public safety and include fish and wildlife *habitat*  
37 ~~enhancement and recreation~~. The Department of Water Resources  
38 shall make its best effort to ~~first utilize prior bond~~ *coordinate this*  
39 *funding with* proceeds from Propositions 84 and 1E.

1 79781. Of the funds authorized by Section 79780, two hundred  
2 ninety-five million dollars (\$295,000,000) shall be available to  
3 reduce the risk of levee failure and flood in the Delta for any of  
4 the following:

5 (a) Local assistance under the Delta levee maintenance  
6 subventions program pursuant to Part 9 (commencing with Section  
7 12980) of Division 6, as that part may be amended.

8 (b) Special flood protection projects pursuant to Chapter 2  
9 (commencing with Section 12310) of Part 4.8 of Division 6, as  
10 that chapter may be amended.

11 (c) Levee improvement projects that increase the resiliency of  
12 levees within the Delta to withstand earthquake, flooding, or sea  
13 level rise.

14 (d) Emergency response and repair projects.

15  
16 CHAPTER 12. FISCAL PROVISIONS  
17

18 79785. (a) Bonds in the total amount of ~~six billion nine~~  
19 ~~hundred ninety-five million dollars (\$6,995,000,000)~~, *seven billion*  
20 *one hundred twenty million dollars (\$7,120,000,000)*, and any  
21 *additional bonds authorized, issued, and appropriated in*  
22 *accordance with this division pursuant to other provisions of law,*  
23 or so much thereof as is necessary, not including the amount of  
24 any refunding bonds issued in accordance with Section 79797 may  
25 be issued and sold to provide a fund to be used for carrying out  
26 the purposes expressed in this division and to reimburse the General  
27 Obligation Bond Expense Revolving Fund pursuant to Section  
28 16724.5 of the Government Code. The bonds, when sold, shall be  
29 and constitute a valid and binding obligation of the State of  
30 California, and the full faith and credit of the State of California  
31 is hereby pledged for the punctual payment of both principal of,  
32 and interest on, the bonds as the principal and interest become due  
33 and payable.

34 (b) The Treasurer shall sell the bonds authorized by the  
35 committee pursuant to this section. The bonds shall be sold upon  
36 the terms and conditions specified in a resolution to be adopted  
37 by the committee pursuant to Section 16731 of the Government  
38 Code.

39 79786. The bonds authorized by this division shall be prepared,  
40 executed, issued, sold, paid, and redeemed as provided in the State

1 General Obligation Bond Law (Chapter 4 (commencing with  
2 Section 16720) of Part 3 of Division 4 of Title 2 of the Government  
3 Code), and all of the provisions of that law apply to the bonds and  
4 to this division and are hereby incorporated in this division as  
5 though set forth in full in this division, except Section 16727 of  
6 the Government Code shall not apply to the extent that it is  
7 inconsistent law, as that law may be amended, apply to the bonds  
8 and to this division, except subdivisions (a) and (b) of Section  
9 16727 of the Government Code to the extent that those subdivisions  
10 conflict with any other provision of this division.

11 79787. (a) Solely for the purpose of authorizing the issuance  
12 and sale pursuant to the State General Obligation Bond Law  
13 (Chapter 4 (commencing with Section 16720) of Part 3 of Division  
14 4 of Title 2 of the Government Code) of the bonds authorized by  
15 this division, the Water Quality, Supply, and Infrastructure  
16 Improvement Finance Committee is hereby created. For purposes  
17 of this division, the Water Quality, Supply, and Infrastructure  
18 Improvement Finance Committee is the “committee” as that term  
19 is used in the State General Obligation Bond Law.

20 (b) The committee consists of the Director of Finance, the  
21 Treasurer, and the Controller. Notwithstanding any other provision  
22 of law, any member may designate a representative to act as that  
23 member in his or her place for all purposes, as though the member  
24 were personally present.

25 (c) The Treasurer shall serve as chairperson of the committee.

26 (d) A majority of the committee may act for the committee.

27 79788. The committee shall determine whether or not it is  
28 necessary or desirable to issue bonds authorized by this division  
29 in order to carry out the actions specified in this division and, if  
30 so, the amount of bonds to be issued and sold. Successive issues  
31 of bonds may be authorized and sold to carry out those actions  
32 progressively, and it is not necessary that all of the bonds  
33 authorized to be issued be sold at any one time.

34 79789. For purposes of the State General Obligation Bond  
35 Law, “board,” as defined in Section 16722 of the Government  
36 Code, means the secretary.

37 79790. There shall be collected each year and in the same  
38 manner and at the same time as other state revenue is collected,  
39 in addition to the ordinary revenues of the state, a sum in an amount  
40 required to pay the principal of, and interest on, the bonds each



1 year. It is the duty of all officers charged by law with any duty in regard to the collection of the revenue to do and perform each and every act that is necessary to collect that additional sum.

79791. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund in the State Treasury, for the purposes of this division, an amount that will equal the total of the following:

(a) The sum annually necessary to pay the principal of, and interest on, bonds issued and sold pursuant to this division, as the principal and interest become due and payable.

(b) The sum that is necessary to carry out the provisions of Section 79794, appropriated without regard to fiscal years.

79792. The board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account in accordance with Section 16312 of the Government Code for the purpose of carrying out this division less any amount withdrawn pursuant to Section 79794. The amount of the request shall not exceed the amount of the unsold bonds that the committee has, by resolution, authorized to be sold for the purpose of carrying out this division. The board shall execute those documents required by the Pooled Money Investment Board to obtain and repay the loan. Any amounts loaned shall be deposited in the fund to be allocated in accordance with this division.

79793. Notwithstanding any other provision of this division, or of the State General Obligation Bond Law, if the Treasurer sells bonds that include a bond counsel opinion to the effect that the interest on the bonds is excluded from gross income for federal tax purposes under designated conditions or is otherwise entitled to any federal tax advantage, the Treasurer may maintain separate accounts for the bond proceeds invested and for the investment earnings on those proceeds, and may use or direct the use of those proceeds or earnings to pay any rebate, penalty, or other payment required under federal law or take any other action with respect to the investment and use of those bond proceeds, as may be required or desirable under federal law in order to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of this state.

79794. For the purposes of carrying out this division, the Director of Finance may authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of the

1 unsold bonds that have been authorized by the committee to be  
2 sold for the purpose of carrying out this division less any amount  
3 borrowed pursuant to Section 79792. Any amounts withdrawn  
4 shall be deposited in the fund. Any moneys made available under  
5 this section shall be returned to the General Fund, with interest at  
6 the rate earned by the moneys in the Pooled Money Investment  
7 Account, from proceeds received from the sale of bonds for the  
8 purpose of carrying out this division.

9 79795. All moneys deposited in the fund that are derived from  
10 premium and accrued interest on bonds sold pursuant to this  
11 division shall be reserved in the fund and shall be available for  
12 transfer to the General Fund as a credit to expenditures for bond  
13 interest, except that amounts derived from premium may be  
14 reserved and used to pay the cost of bond issuance prior to any  
15 transfer to the General Fund.

16 79796. Pursuant to Chapter 4 (commencing with Section  
17 16720) of Part 3 of Division 4 of Title 2 of the Government Code,  
18 the cost of bond issuance shall be paid out of the bond proceeds,  
19 including premium, if any. To the extent the cost of bond issuance  
20 is not paid from premiums received from the sale of bonds, these  
21 costs shall be shared proportionately by each program funded  
22 through this division by the applicable bond sale.

23 79797. The bonds issued and sold pursuant to this division  
24 may be refunded in accordance with Article 6 (commencing with  
25 Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of  
26 the Government Code, which is a part of the State General  
27 Obligation Bond Law. Approval by the voters of the state for the  
28 issuance of the bonds under this division shall include approval  
29 of the issuance of any bonds issued to refund any bonds originally  
30 issued under this division or any previously issued refunding bonds.

31 79798. The proceeds from the sale of bonds authorized by this  
32 division are not “proceeds of taxes” as that term is used in Article  
33 XIII B of the California Constitution, and the disbursement of these  
34 proceeds is not subject to the limitations imposed by that article.

35 ~~SEC. 5.~~

36 *SEC. 9.* Section 2 of Chapter 3 of the Seventh Extraordinary  
37 Session of the Statutes of 2009, as amended by Section 1 of  
38 Chapter 74 of the Statutes of 2012, is repealed.

1     ~~SEC. 6.~~

2     ~~SEC. 10.~~ (a) Notwithstanding the requirements of Sections  
3     9040, 9043, 9044, 9061, and 9082 of the Elections Code, or any  
4     other law, the Secretary of State shall submit Sections ~~1, 2, and 4~~  
5     ~~1 to 6, inclusive, and Section 8~~ of this act to the voters at the  
6     November 4, 2014, statewide general election.

7     (b) The Secretary of State shall include in the ballot pamphlets  
8     mailed pursuant to Section 9094 of the Elections Code the  
9     information specified in Section 9084 of the Elections Code  
10    regarding the bond act contained in Sections ~~1, 2, and 4~~ ~~1 to 6,~~  
11    ~~inclusive, and Section 8~~ of this act. If that inclusion is not possible,  
12    the Secretary of State shall publish a supplemental ballot pamphlet  
13    regarding this act to be mailed with the ballot pamphlet. If the  
14    supplemental ballot pamphlet cannot be mailed with the ballot  
15    pamphlet, the supplemental ballot pamphlet shall be mailed  
16    separately.

17    (c) *Notwithstanding Section 9054 of the Elections Code or any*  
18    *other law, the translations of the ballot title and the condensed*  
19    *statement of the ballot title required pursuant to Section 9054 may*  
20    *be made available for public examination at a later date than the*  
21    *start of the public examination period for the ballot pamphlet,*  
22    *provided that the translations of the ballot title and the condensed*  
23    *statement of the ballot title must remain available for public*  
24    *examination for eight days.*

25    (d) *Notwithstanding Section 13282 of the Elections Code or*  
26    *any other law, the public shall be permitted to examine the*  
27    *condensed statement of the ballot title for not more than eight*  
28    *days. Any voter may seek a writ of mandate for the purpose of*  
29    *requiring the condensed statement of the ballot title, or portion*  
30    *thereof, to be amended or deleted only within that eight-day period.*

31    ~~SEC. 7.~~

32    ~~SEC. 11.~~ Notwithstanding Sections 13115 and 13117 of the  
33    Elections Code, ~~Sections 1, 2, and 4~~ ~~Sections 1 to 6, inclusive, and~~  
34    ~~Section 8~~ of this act shall be placed as the first ballot measure on  
35    the November 4, 2014, general election ballot and shall be  
36    designated as Proposition 1.

37    ~~SEC. 8.~~

38    ~~SEC. 12.~~ Sections ~~1, 2, and 4~~ ~~1 to 6, inclusive, and Section 8~~  
39    of this act shall take effect upon approval by the voters of the Water  
40    Quality, Supply, and Infrastructure Improvement Act of 2014, as

1 set forth in Section 4 8 of this act, including changes to the *Disaster*  
2 *Preparedness and Flood Prevention Bond Act of 2006*, as set forth  
3 in Section 1 of this act, the Safe Drinking Water, Water Quality  
4 and Supply, Flood Control, River and Coastal Protection Bond  
5 Act of 2006, as set forth in Section 4 2 of this act, the *Water*  
6 *Conservation and Water Quality Bond Law of 1986*, as set forth  
7 in Section 3 of this act, the *Safe, Clean, Reliable Water Supply*  
8 *Act*, as set forth in Section 4 of this act, the *Costa-Machado Water*  
9 *Act of 2000*, as set forth in Section 5 of this act, and the Water  
10 Security, Clean Drinking Water, Coastal and Beach Protection Act  
11 of 2002, as set forth in Section 2 6 of this act.

12 ~~SEC. 9.~~

13 *SEC. 13.* This act is an urgency statute necessary for the  
14 immediate preservation of the public peace, health, or safety within  
15 the meaning of Article IV of the Constitution and shall go into  
16 immediate effect. The facts constituting the necessity are:

17 In order to fund a water quality, supply, and infrastructure  
18 improvement program at the earliest possible date, it is necessary  
19 that this act take effect immediately.